

## **FINANCE COMMITTEE REPORT**

December 06, 2016

A Finance Committee meeting was held Thursday, December 06, 2016 at 6:00 p.m. in the Quorum Court Meeting Room, Benton County Administration Building, Third Floor, 215 East Central, Bentonville, Arkansas.

Committee Members Present: JP Allen, JP Sheridan, JP Jones, JP Chiocco, JP Slinkard, JP Moore, JP Moehring

Others Present: JPs J. Harrison, K. Harrison, Adams, Sandlin, Leadabrand, Ashley Kirby, Michelle Barrett, John Sudduth

Media: Tom Sissom – Northwest Arkansas Democrat-Gazette.

Committee Chair JP Allen called the meeting to order at 6:08 p.m.

### **Public Comments:**

None

### **Discussion:**

#### ***Personnel Committee – Items brought forward***

JP Moehring outlined what he discussed at the Personnel meeting prior to this meeting. He reported that these are his recommendations for the personnel changes that will be coming in January. He stated that there are two major headlines he would like to point out; the first being that these changes will save the county about \$50,000, and they will be cost saving changes. The second is when looking at the policy manual, it is the right time for these changes; he stated he wanted to give enough time so those individuals would have time to adjust before the New Year.

Comptroller Brenda Guenther stated that these new positions do show the budget impact with an estimated net savings of \$54,000 with the elimination of one position.

JP Jones pointed out that that is with the engineer already placed in the budget.

JP Moehring stated that one point he would like to make, would be that he would like to apply a good chunk of the savings to the position of Director of Communication. He stated that this position has not been posted and won't come on board until at least the end of February.

JP Allen asked if this position is already in the budget or would it still need to go through JESAP to get created.

Comptroller Brenda stated that this position has already gone through JESAP.

JP Moehring commented that the position had already been created and now it is under his obligation once it has been posted and filled to try and offset the balance of funding. He stated that he would like to fence off some of the net savings, but at this time he is just not sure how much.

JP Jones made a motion to move these items to the Committee of the Whole; seconded by JP Chiocco

Motion passed by a show of hands vote

6 yes

1 abstain – JP Moehring

### **Fund Summary:**

#### ***2016 through 11-30-2016***

Comptroller Brenda Guenther reported that we are at 87.23% of our budget with a target of 91.67% for the month. For Personnel our targeted amount is 92.3% and we are currently at 87.6%. Brenda stated that we are looking good on all our Personnel and Road funds at this time, but we are almost at 100% of our Capital fund. She pointed out that one of the appropriation ordinances for tonight's meeting is for Division IV, Judge Scott's court, they have overspent on their supplies and they do not have enough to take from their other services. She stated that we will look more into this later, but what it looks like we can do is transfer from the salary side, so we do not have to appropriate any additional monies. Comptroller Brenda reported that in the others fund we have three areas that are a little over; the transport, but this one is because of overtime and we may have some room to transfer from the general to cover these overages. The judicial collections had an error in personnel, meaning there was one that should not have been in here and we will fix that and should be good. The Treasurer, but this one should be covered by general and supplies. Brenda reported that we are at 77.2% of our target of 91.26%, so we are looking good right now.

JP Slinkard asked under other funds is the JIF grant an ongoing grant.

Brenda stated no, that it is a one time amount of \$15,000 that will probably not show up again unless we end up applying for another one.

#### ***2016 vs. 2015 Comparison through 11-30-2016***

Comptroller Brenda Guenther reported that when looking at personnel we are almost 6% higher than we were last year because there is an additional jailer this year and because of elections. She stated that we had \$186,000 vs. \$7.5 last year, but elections was the biggest one. Other than that we are \$171,000 higher in spending this year than last year at this time, but not an overall bad year to year. Brenda commented that a million of that is in Capital. Brenda Guenther reported that in other funds our overall is at \$3.8 million over a year ago at this time. She stated that we have had a lot of building projects with the courthouse and jail expansion.

JP Allen asked how much of that \$3.8 is contributed for money that we take out of the reserves for building projects vs what is operating budget.

Brenda replied that we transferred \$1.3 million out of General fund last year and \$2.8 was transferred from the turnback, which was a big one, other than that, none.

JP Allen stated that moving forward next year he would really like to track that trend.

### **Monthly Reports:**

#### **Overtime & Premium Pay Analysis**

Comptroller Brenda Guenther reported that we have spent \$66,000 more this year than a year ago. Personnel has spent 91.2% already this year. In our overall total budget we had \$750,000 and we have spent \$698,000. Brenda stated that part of this is the elections, when looking at the County Clerk's office they spent \$17-\$18 thousand in overtime. She stated that we have received back \$111,000 from revenues from various different projects.

JP Allen asked if Brenda or Barbara could come speak about the policy that has been discussed on holiday pay.

Barbara Ludwig reported that the policy stated that if you work on a designated holiday you get paid holiday pay, but this year Christmas falls on Sunday and Christmas Eve falls on Saturday so they are being observed on Friday and Monday. However we will have people still coming in on Saturday and Sunday and we are going to give them the 8 hours of holiday pay.

JP K. Harrison asked what about those like at the Sheriff's office that have to work 12 hour shifts, will they get 12 hours of holiday pay or will they receive 8 hours.

Barbara Ludwig stated that they will only get 8 hours of holiday pay, because of how the holiday pay is stated. Everyone who works on the holiday, no matter how many hours gets 8 hours of holiday pay.

JP Jones stated that she should bring this back to the Quorum Court and have this re-looked at because it is ambiguous on how it is worded. He stated that it needs to be explained better in the policy of how holiday pay will work.

JP K. Harrison asked if we are looking at departments different because the person either works an 8, 10, or 12 hour shift and those who work an 8 hour shift get a full 8 hours of holiday pay, but those who work 10 or 12 only get 8 hours of holiday pay.

Barbara Ludwig replied that we will have to look at seeing how to change this mid-year and try and look at different situations to define it different.

JP Allen commented that he knows this does not affect him, but what he is seeing is that you get paid to work a full shift and then get a bonus of 8 hours unworked holiday pay. He stated that to him that was just generous and didn't really need to be looked at.

JP Chiocco asked that some has been said about being paid into comp time, but if they decided to leave the next month do they get that comp time paid out in a check.

Barbara stated that yes, they would get it paid out.

JP Jones moved to have this discussed at the Committee of the Whole.

#### **Fuel Analysis**

Comptroller Brenda Guenther commented that we are still blessed with reasonable gas prices at this time. She reported that we have spent 79% of our fuel at the Sheriff and Jail and 49% almost 50% spent at the road department. She stated that the gas prices are 27% lower at this time then they were last year and 20% lower on diesel prices at this time. Brenda reported that at this time last year we had spent \$294,000 in gas and \$602,400 in diesel, but this year we are about \$150,000 less at the road department and about \$60,000 less in the Sheriff's department and Jail.

JP Allen reported that there was an announcement on the news that they are going to decrease the supply, but we have not really seen a big jump around here yet, just a raise of a few pennies. He stated that he did not know if this was because of the holidays or if the raise was from the announcement, but wanted to look at what they did for the budget in 2017.

Brenda Guenther stated that they did cut back on some of the department's fuel.

JP K. Harrison stated that he heard an announcement that stated an increase of 3% in fuel.

JP J. Harrison stated that they needed to keep in mind the judgement they did on the pipeline, that that could cause an issue for us as well.

JP Allen stated that there are a lot of things that could be positive for us as well, but just wanted to make sure to the best of their abilities have the budget done correctly.

Brenda stated that the Sheriff's department and jail did cut their fuel amount back. She stated that when they were asked to do the 3% cut they took it all out of their fuel.

JP Moore stated that if they spent what they did this year next year and our year isn't even over yet, then they would already been in the red.

Brenda reported that the road department cut theirs as well, but their amount they would be okay it is just the sheriff and jail that may have the issue.

JP Allen stated that the committee needed to be mindful of those possible fuel changes, but that at the end of tonight's meeting they would be closing with the budget and it could be discussed more.

### **Sales Tax Numbers**

Comptroller Brenda Guenther reported that we had another good month. She stated that we had a date to month increase over last year of \$28,000 and a year to date of \$88,000. Brenda stated that we only have a month to go, but if we could get to the \$8,100,000 like last year then we will be good.

JP Moore asked when Brenda was adjusting the revenue numbers, did she raise the amount to \$8,100,000.

Brenda replied that yes she did raise it to that amount and she also adjusted the transfer to Capital to \$810,000, which was a 10% adjustment.

### **Jail Collections**

Comptroller Brenda Guenther reported that we are running slow, but we did get a \$.5 million dollars in this month. She stated that we did receive that payment in November to the Sheriff's office, but we don't get it until December.

JP Allen asked if there were it always goes.

Brenda stated that the process is that it always goes to the Sheriff's office first and then on the 10<sup>th</sup> of every month it comes to us in our office.

Brenda Guenther reported that she added a variance column to the handouts to show the comparison of November of this year versus last year in November. She pointed out that when looking at the column there were more prisoners housed in the jail then there was number of days served in the jail. She stated that the days served is 26,000 days less and that adds up to quite a bit of money. Brenda reported that she did lower the fees of the jail for next year because of the results she saw this year.

Sheriff Gilbert stated that was their reason that number was so different, but that it would not be done that way again, so the numbers should go back up next year.

Brenda stated that she did a couple of graphs to show all the fees collected and estimated Decembers based on the monies we are already getting. She stated that she also did a graph on the billings and it shows that we are less in 2016 than we were in 2015. She explained that both graph results showed us that we had a lot more state coming in in 2016 versus last year in 2015.

JP Allen asked if we are good now, on how the proper method of billing of the prisoners works.

Sheriff Gilbert stated that they have correct information now, the person they had been sending everything to no longer worked there.

Brenda stated that in addition to that they are also calling when she sees any spots that money is not being received.

### **Convenience Center Data**

Comptroller Brenda Guenther reported that this report is the same as last month, nothing has changed.

### **Grants Administrator Report**

Comptroller Brenda Guenther reported that they got a notice that the Alternative Dispute Resolution grant had been awarded for \$5,000. She stated that they also received news that the Hickory Creek fund department did receive a paschal award from their grant. Brenda reported that next month there should be a couple more updates and the activity should pick up by the beginning of the year on receiving these grants. She stated that the Endeavor Foundation Grant they were still working on some details and after speaking with Drew they were still trying to get more information on that grant. She reported that they are asking for another extension for the SAMHSA grant, for another year.

JP Jones asked on the Hickory Creek's grant would this paschal awarded amount allow them to still build the bay for the Fire Truck.

Brenda responded by saying she did not know the answer to that question, but that she would find out for him. She knows that they had only been awarded the amount of \$21,250.

Brenda reported that the Pleasure Heights Fire Department was not awarded their grant in full, they only received \$15,000 of the \$18,000. She also stated that at this time they have not heard from NEBCO, but that her gut was telling her it was not good news.

### **Ordinance Requests:**

#### **1. Adult Drug Court – Appropriation**

Comptroller Brenda Guenther reported that they have spent a lot more for drug screening, telephone usages, and other miscellaneous expenditures, so what they are asking for is about \$35,000. She stated that this does have its own fund and does have its own monies, so we are not asking for any additional monies.

JP Jones made motion to forward this appropriation request to the December 12, 2016 Committee of the Whole agenda, seconded by JP Chiocco.

JP Jones asked if this fund will be able to keep going at this level or is this over extending it.

Michelle Barrett from Drug Court explained the process of the drug screening and why is cost so much more. She stated that they screen clients for positive drug results and it is not done it a lab, so if someone thinks the results are wrong they can send it off to a lab for further testing. She stated that this is at their expense, but how it works is they send it off, they give us a money order and the company sends us the bill. Michelle stated that once they get the results back they give the money order and the bill to the Comptroller to be taken care of. She stated that it was basically going in a fund that is actually a recycling fund.

JP Chiocco asked if the lab results come back very often different.

Michelle stated that it really just depends on the drug they are screening for.

JP Chiocco asked if people do this option very often.

Michelle stated that less take this option then do.

Motion to forward passed by unanimous show of hands.

## **2. Circuit Court Division IV – Appropriation**

Comptroller Brenda Guenther reported this is primarily for telephone and fax line overages. Brenda stated that she has analyzed the salaries and they can transfer monies out of their personnel line to cover the additional costs so they do not have to request any additional money.

JP Jones made motion to forward to the December 12, 2016 Committee of the Whole agenda, seconded by JP Slinkard

Motion passed by unanimous show of hands.

## **3. Sheriff's Department – Appropriation Transfer**

Comptroller Brenda Guenther reported that in the 2017 budget process the Sherriff's department had asked for two new utility vehicles, we have since taken it out of their budget request so they could possibly buy them this year. Brenda explained that they book the funds from the data software and supply funds and are transferring it to the machinery and equipment fund. Brenda asked if she could suggest a different route that would help them not take money from the general fund. She suggested they take it from the SSI incentive fund instead. She stated that this fund had \$25,000 set aside for the timekeeping software they were going to use, but are now not going to. JP Jones asked if the money was going to be needed to be spent next year for this timekeeping software.

Brenda stated that they have found in their enterprise financial software system a built in timekeeping portal and they would be going with that for right now.

JP Jones made motion to accept and go forward allowing the sheriff's office to purchase \$25,000 for their two utility vehicles, instead of the timekeeping software that had been in the 2016 budget; seconded by JP Chiocco

Motion passed by unanimous show of hands.

JP Allen stated that this has been accepted and will not go forward to the Committee of the Whole.

#### **4. 2017 Budget – Appropriation**

Comptroller Brenda Guenther updated the committee by stating she added the increase of \$10,000 that was spoke about at the last budget meeting from the Illinois Water Partnership. She also updated the workmen's comp rates and included the 80% raise for the elected officials and that does include the JPs for the 2017 budget. Brenda reported that this does not include the amounts that were presented at tonight's Personnel meeting that was held prior to the Finance meeting tonight.

JP Allen asked if that would have a positive effect or a negative.

Brenda replied that it would have a positive impact of around \$54,000, without the Director of Communications.

JP Allen stated that what he felt County Judge Elect Barry Moehring was telling the committee was that he thought he could cover that amount.

JP K. Harrison stated that he thought they would have a negative impact because of the estimated overtime.

JP Jones asked Brenda if she would be able to bring updated numbers for the overtime at the Committee of the Whole, since they would not be able to get those numbers at tonight's meeting.

JP Allen asked what the estimate right now is.

Brenda stated that the estimate at this time is \$20,000 for overtime.

JP Allen stated that it looked like there would be a positive impact of \$55,000 based on the County Judge Elect and possibly more of a savings from last year.

Barbara asked if we knew what the total was spent for last year when looking at the overtime.

Brenda stated that the overtime spent last year in January was \$71,000.

JP Allen stated that he would like to have a pretty good idea before the meeting was over, he did not want to send it on to the Committee of the Whole without knowing.

JP Moehring wanted to clarify that it was his intentions to use a portion of the \$54,000 for the Directors of Communications position.

JP Sandlin stated that that might be his intentions but that next year is all new.

JP Moore stated that he does not feel comfortable kicking the sheriff's fuel can down the road when we know based on current numbers it could go into the red. He stated that right now we do have a budget surplus and thinking we should put about \$30,000 more into the Sheriff's fuel fund.

Moore made a motion to add \$30,000 to the Sheriff's fuel line; seconded by JP Jones

JP Jones asked if Brenda could go back over what the amount was knowing it is \$290,000 this year, what is next year's estimate.

Brenda stated that for the 2016 budget year it is at \$290,000 and the budget was moved to have \$229,000 by taking \$61,000 out of the 2017 budget.

JP Jones pointed out that looking at the ordinance there is \$290,000 in the Sheriff's department and \$130,000 in the jail. He stated that if we take it down to \$230,000 we will have \$190,000 in lubricant.

Brenda looked over the budget and stated that she was not picking up the jail fuel side in the budget, which meant they had room to move.

Sheriff Gilbert stated that coming into this month it looks like they have \$72,000 left coming into the jail side and \$50,000 coming into the sheriff's side.

JP Jones stated that you have reduced your budget for next year by \$61,000, right now you have about \$121,000 and you all spend on average around \$20,000 a month then that will still leave some cushion. He stated if you still cut off \$61,000 that would still leave you with \$40,000.

Brenda stated that she would get that updated and that we do not have to move anything around then.

JP Moore withdrew his motion; seconded by JP Allen

JP Sandlin asked if we had plenty of money for insurance coverage. She stated that a couple of months ago we had some issues and wanted to know if we were covered.

JP Allen stated that we are going to be tight this year but the committee has decided to just ride it out.

Brenda reported that we currently have spent 93% of our budget with December being left.

JP Jones stated that we have discussed that fact we need to pick this back up and look at making some more changes and possibly some adjustments.

Brenda reported that as of right now we have a total of \$137,000 left, with the first week of December already covered. She stated that she did think we would make it through the month of December.

Barbara commented that we do need to think about addressing the turnback and look at making some infusions to get us through.

## **Other Business**

### ***Turnback***

JP Allen asked Brenda to give a projection of what she thought the turnback was going to look like this year.

Brenda stated that her best guess was that it would still be around \$1.5 million. That is not knowing anymore about what could be left. She stated that she knew a lot of offices were looking to see what they could do with the amount they have left this year rather than ask for it next year.

JP Allen wanted to thank all the future elected officials and JPs for coming to the budget meeting and listening to what will happen next year.

Brenda stated that JP Moore had asked before if there were any last minute things they needed to know about to put in the 2017 budget, the Treasurer's and automation fund has added \$20,000 for the enterprise review.

JP Moore asked if that would have minimal impact on the County General.

Brenda stated that it would have zero impact on the County General.

JP Jones stated that if we are hearing that we need some money to float the insurance fund, then we need to remember we took a lot out of that fund several years ago to do a non-reoccurring salary adjustment. He stated that looking at this we would probably want to put \$1 million in Capital and \$.5 million in the Health Fund. JP Jones stated that this would help them have a decent amount in the health fund to help them not have any further issues.

JP Moore stated that he liked that idea because if we do run short in the health fund then we will have to do an emergency infusion from unrestricted reserves. He stated he like what JP Jones said



we pulled money from that fund a few years back so we would just be giving the money back to that fund.

JP Moehring stated that he would like to have some idea from Barbara on what she thought about receiving that \$.5 million dollars in that fund.

Barbara commented that until we really know what the turnback is going to be, \$.5 million is what was requested a couple weeks ago and believes that would cover us.

JP Allen asked what our Capital balance was.

Brenda replied that our Capital balance at this time is \$858,000. She stated that there will still be monies that will be receiving from grants. Brenda stated that we are trying to maximize the investment, so in investments we have \$4.1 million. She stated that right now that means we have the \$4.1 million plus the \$858,000.

JP Allen commented that when we make a motion to put it in Capital, it means to put it in the Capital, not just let it sit outside until we need it.

JP K. Harrison asked what kind of turnback we received from our investments.

Brenda stated that she did not have that number at that time but would get it to him by the Committee of the Whole.

JP Jones made a motion to forward 1/3 of turnback to the health insurance fund and 2/3 of turnback to the Capital fund to the December 12, 2016 Committee of the Whole agenda; seconded by JP Chiocco

Motion passed by unanimous show of hands.

JP Jones made a motion to send the 2017 budget to the December 12, 2016 Committee of the Whole agenda; seconded by JP Chiocco

JP Meyers asked what the final decision was on the increases for elected officials.

JP Allen replied that the elected officials would be going up to 80% of the range and the JPs would be going up 60% of the range.

JP Meyers stated that he did not think elected officials should get more of a raise than the actual employees.

JP Moehring stated that he has a little bit of the same issue as JP Meyers does. He stated that he has given this a lot of thought and wants to support this budget, but with good conscience cannot vote for this without taking some form of action. He stated that he was going to take the raise that is slated for the County Judge and break it into a 50-50 donation to two of the organizations that the county has supported.

Brenda commented that we did have an American Red Cross rep. come out and speak to us and we have not said one way or another and just wanted to make sure they were thought of.

JP Allen stated that it is a very worthwhile organization, but based on the presentation that was brought to us it appeared that most of the people that are affected by this would be in the cities. He stated that from his understanding from the presentation they had not even approached the cities yet.

After discussion the committee decided not to commit to giving to this organization at this time.

Motion passed by unanimous show of hands.

JP Moore asked when we would find out more on the Organizational meeting.

JP Moehring stated that the swearing in ceremony would be in the County Clerk's office from 9. He stated that the Organizational meeting would be held at 6:00 pm prior to the Finance meeting that will follow.

**Upcoming Meetings:**

JP Allen announced the Committee of the Whole would be on Tuesday, December 12, 2016 at 6:00 pm.

Meeting was adjourned at 7:50 pm.